THE DOMINION FINANCES

AND

THE NATIONAL POLICY.

A SPEECH

DELIVERED DURING THE DEBATE ON THE BUDGET, IN THE HOUSE OF COMMONS, ON THE EVENING OF THE 30th MARCH, 1883,

BY

MR. THOMAS WHITE, M.P. FOR CARDWELL, ONT.

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THE BUDGET DEBATE.

SPEECH BY MR. THOMAS WHITE, M.P.

DELIVERED IN THE HOUSE OF COMMONS, ON FRIDAY EVENING, MARCH 30th, 1883.

The following is the *Hansard* report of the speech delivered by the member for Cardwell in reply to Mr. Paterson, M.P., on Friday night, the 30th March.

Mr. WHITE (Cardwell)—Mr. Speaker, the hon. gentleman who has just taken his seat has devoted a large portion of the time which he has occupied in replying to the budget speeches of last year and of the year before. Sir, those speeches were before the people of the country in June last; the replies of these hon. gentlemen to those budget speeches were also before the country, and in the face of arguments used by hon. gentleman opposite, the people of Canada—not the people of Ontario alone, but the people of the whole Dominion—returned to this House a majority to support the hon. gentlemen who now occupy the Treasury Benches. The hon. member has been good enough to say that we should not boast of that triumph because of the fact that it was achieved, as he alleges, in some parts at any rate, by what was commonly known as the gerrymandering Act. I did not understand the hon. Minister of Finance when he referred to the fact that eight ex-ministers who were in office during the five years that the opposite party were in power, had fallen victims to the popular indignation at the last election—I say I did not understand him to refer to the triumph in the Province of Ontario alone. The fact is that of those eight hon. gentlemen only one can, with any show of reason or truth, be said to have fallen a victim to what is called the gerrymandering Act.

DEFEAT OF LIBERAL LEADERS.

The late member for Bothwell is now, it may be, occupying a position which is not an uncongenial or unpleasant one, one which in some respects has its advantages over the position of a member of this House, that of an editor of a leading newspaper in Ontario. He occupies that position to-day, it may perhaps be said, because of the change in the boundaries of his late constituency; but certainly the ex-Finance Minister cannot claim that to be his case. If the constituency which he formerly represented was changed, the changed constituency is in this House represented by an hon. gentleman who is in sympathy with him, and who supports the party with which he was connected. And the other constituency into which portions of his constituency went, returned a member to this House by the enormous majority of somewhere about 800. The late Finance Minister himself chose a county in which to try conclusions with the Conservative party, and in choosing that county he chose one in which, judging by the preceding election, there was fair reason to expect that he might have some chance of success. What was the result? He was beaten by a majority of 157, and the township which was added by the Act of last session to the constituency only gave a Conservative majority of somewhere about thirty. [Cheers]. How was it with another gentleman in this Province? How was it with an hon. ex-Governor of the Province of Ontario, Mr. Macdonald, who ran in Glengarry and was so gallantly beaten by the hon. gentleman who sits behind me? [Hear, hear]. How was it with the late hon. member for Shefford, whose constituency was not gerrymandered? [Hear, hear]. How was it with the hon. and gallant knight of Westmoreland, whose place was taken by the hon. gentleman whom we are all so delighted to see in this House. [Hear, hear]. How was it with the late Minister of Justice, Mr. Laflamme, in whose constituency there was no change of boundaries? How was it with Mr. Laird, who ran in Prince Edward Island, and who was so unpopular that if I mistake not he almost prevented his own colleague from finding a seat in this House? [Hear, hear.] How was it with Mr. Jones who ran for Halifax, and who, I am glad to know, was defeated by the hon. gentleman who sits behind me? How was it with the ex-Speaker of the House, who failed to get the votes of one-fourth of the constituency which formerly supported him? What influence had the gerrymandering Act in those constituencies?

[Cheers.] If it had any influence whatever, it should have had an influence in favor of the Opposition. If it was an Act which deserved the name of an infamous act—and I have heard that term applied to it in western constituencies—the argument was good in every part of the Dominion, that the party guilty of passing such an Act were unworthy of public confidence; yet that measure, used along with other measures passed by this Government, and denounced with equal vehemence when they were before Parliament, and for which they were responsible in all those constituencies, failed to bring back those leading men to the other side of the House. As we gaze on it from this side and miss the faces of those who used to do loyal battle for their party in debate, we experience a feeling of absolute commiseration at the poverty of the Opposition in this House. (Cheers). Sir, the truth is that the people of Canada, in June last, gave their verdict for the same reason that they gave it in September, 1878. They had had experience of the Liberal party in power. They found that that party in power had failed to carry out even the pledges they made in Opposition, and they found that, more serious than that, they had failed to appreciate the wants of the people; they had ignored the condition of affairs in which the country stood, and, unwilling to trust them again, they preferred, even if the statements made by the hon. gentlemen as to the maladministration of the Government were true, to trust the destinies of this country to the Conservative party whose administration they had had experience of for nearly twenty years, rather than run the risk at a time like that of placing the affairs of the country in the hands of hon. gentlemen opposite. [Cheers.] There never was in any country a triumph so signal, so significant as that which came to the Conservative party in June last; and hon. gentlemen opposite, it they realize the real sense of the country—if they could learn to forget a little, or learn to remember a little—would not come back to this House the first session of a new Parliament with the worn-out speeches which had been delivered in the old Parliament, which had been before the country at the time of the election, and the verdict of the people upon which had been one of unqualified condemnation. [Cheers.]

FINANCIAL ADMINISTRATION.

I propose to review very briefly some of the points to which the hon. gentleman has referred in his speech. He commenced by referring to the finances, and he told us the old story that the Conservative party had increased the expenditure of this country from $13,000,000 in 1868 to $23,000,000 in 1874. Well, we have heard that before, and it has had no effect upon the country. The hon. gentleman does not believe that there is any force in the statement as a condemnation of any party in this country. He knows that in 1868 we were four provinces, and in 1874 there were seven provincea. He knows that in 1868 we were entering upon Confederation, that we had not yet commenced to expend money upon the development of this country. He knows that in 1873 and 1874 we were in the full career of development; that we had purchased the Northwest, that we had almost built the Intercolonial Railway, that we were commencing to enter upon expenditures in connection with the Northwest, and he knows that there is no fair comparison between the periods of 1867 and 1874 (cheers). But, sir, he fell into the further error of misstating the expenditure on consolidated revenue account, at any rate, in 1873-4. I will not here revive the old controversies of the last Parliament. I will not discuss beyond the mere statement of the fact which was so ably discussed at that period, that the expenditure of 1873-4, instead of being over $23,000,000 was $22,300,000, and that hon. gentlemen opposite actually cooked the public accounts—I use the word advisedly—in order that they might be able at the end of their period to present a misleading statement, with a view to making out as good a case as possible for themselves. (Cheers.) By placing sums spent on capital account to the account of consolidated revenue, by including Customs' refunds and a number of other items, they added nearly a million of dollars that certainly did not belong to the expenditure of that year; and they succeeded in raising an actual expenditure of $22,300,000, to an apparent expenditure of $23,316,000. (Hear, hear). But it is when we come to deal with the details of these expenditures, that we see the difference between the two parties. It is quite true that hon gentlemen opposite when in power, only increased the general expenditure from $22,300,000, to $24,456,000. But how was it done? Will any one tell me that a decrease in the expenditure on Public Works is a matter of economy? (Hear, hear). The hon. gentleman who has just sat down, boasted that Public Works were managed for a certain sum of money. I do not know whether he is aware that the expenditure under the head of Public Works has nothing whatever to

do with the "management" of Public Works. It is expenditure on capital account for construction of public works; and the only difference between the two parties in that respect is this, that at one period, with an overflowing treasury, the Conservative party were enabled to do what, happily, they have been able to do ever since, viz.: expend public money on the public works of the country, whereas, hon. gentlemen opposite, with annual deficits, were obliged to stop such expenditure, and now they claim credit for so doing, as if it was an evidence of economical administration. [Hear, hear.] So with other expenditures, such as those on immigration and quarantine, militia, etc. But hon. gentlemen opposite claim to have succeeded in decreasing the ordinary expenditure during the five years they were in power. If you examine the cost of collecting the revenue, which must be to a considerable extent included in the controllable expenditure, you will find that, instead of being decreased during that period, it was very largely increased. (Hear! hear!) Between 1879 and 1882, the expenditure was increased considerably. I am not going to trouble the House by reading over the items of that increase, which are connected largely with Public Works, Dominion Lands, the Census, etc. But when we come to the collection of revenue, in which there is a fair chance for comparison between the administration of the two parties, we find the following to be the result:—

REVENUE.

	1879.	1882.
Public Works	$ 1,863,149	$ 2,711,134
Customs	12,900,659	21,581,570
Excise	5,390,763	5,884,859
Post Office	1,172,418	1,587,888
Total	$21,326,989	$31,765,451

EXPENDITURE.

	1879.	1882.
Public Works	$ 2,680,979	$ 2,893,512
Customs	719,711	723,913
Excise	211,064	280,573
Post Office	1,784,423	1,980,565
Total	$ 5,396,177	$ 5,878,565

That is, sir, the income during those years increased no less than $10,438,462, or 49½ per cent., while the cost of collection increased only $482,388, or a fraction under 9 per cent. [Hear, hear.] Now, sir, if you compare this with the period when hon. gentlemen opposite were in office, you will find the following result:—

REVENUE.

	1874.	1879.
Public Works	$ 1,509,915	$ 1,863,149
Customs	14,425,192	12,900,659
Excise	5,595,903	5,390,763
Post Office	1,139,973	1,872,418
Total	$22,569,983	$21,326,989

EXPENDITURES.

	1874.	1879.
Public Works	$2,380,679	$2,680,979
Customs	658,299	719,721
Excise	206,935	211,074
Post office	1,387,290	1,784,423
Total	$4,642,183	$5,396,177

That is, while the revenue decreased $1,242,994, or 5½ per cent., the cost of collection increased $753,994, or 16¼ per cent. [Hear, hear.] That is the answer I give to the hon. gentleman when he undertakes to compare the expenditure from 1874 to 1879 with that from 1879 to 1882. [Cheers.] Then, sir, I take some details. I take certain expenditures in relation with the management of

THE GOVERNMENT RAILWAYS.

I have no doubt that when the Hon. Minister of Railways comes to deal with this subject he will do so very fully, but I will be pardoned for stating one or two facts in connection with it. I find that the mileage of the Intercolonial open in 1879 was 720 miles and in 1882 840 miles, an increase of 120 miles. I find that the train mileage run was 2,111,426 in 1879 and 3,195,566 in 1882, or an increase of 1,084,140. I find that the passengers carried numbered 640,101 in 1879 and 779,994 in 1882, an increase of 139,893; that the tons of freight carried in 1879 amounted to 510,861 and in 1882 to 838,956, an increase of 328,095 tons. One would naturally imagine that under these circumstances, with a greater mileage to work, with a greater carriage of passengers and freight, and consequent larger expenditure, the increased expense ought to be very great. Yet what are the facts? The revenue in 1879 was $1,294,099, and in 1882 it was $2,079,262—an increase in 1882 of $785,163 over 1879. [Hear, hear.] Every one who knows anything of railways knows that the increase in expenditure and revenue always bear some relation to each other. Yet, in this case, we find that although labor was undoubtedly higher in 1882 than in 1879, and the revenue was so much greater, there was substantially no increase in the cost of working the road. In 1879 the cost was $2,010,183, and 1882 $2,069,657, an increase of only $59,474 in expenditure for the production of that enormously increased revenue and business. [Cheers.] I find further that the deficit in 1879 in the working of the railread was $726,084, while in 1882 its working showed a surplus of $9,605. The cost per mile of running a train on the Intercolonial was, in 1879, 95.50 cents, in 1882, 64.74 cents, a decrease of 30.76 cents. I ask whether under these circumstances we may not fairly say that in relation to this,

our greatest enterprise, upon which the largest expenditure may be made without any special oversight or attention of the public or Parliament, that it is an evidence of the careful administration which has characterized the conduct of the hon. gentlemen on the treasury benches. [Cheers.]

COST OF COLLECTING CUSTOMS.

Take the matter of customs as another illustration and what do we find. The hon. member for West Middlesex, in the debate on the tariff in 1879, stated this among other objections :

"The Finance Minister, in bringing down the Budget, said it would be necessary to employ a number of experts to examine the goods imported into this country, so that their value might be appraised and the country saved from being defrauded. This meant a positive increase in the collection of Customs hereafter. It meant his hon. friend would have to dismiss a number of Custom House officers and appoint others who had had a peculiar training in order to do this business. It meant more than that—an increase of the number of Custom House officers of the present grade. When a bale of goods came to the Custom House consisting of cottons, silks, velveteens, etc., in order to calculate the Customs' dues they would be compelled to measure every article. Then the invoice would have to be looked into in order to levy the *ad valorem*. Thus there would be a large increase in the labors of the Custom House officers. A large increase would be necessitated in the Custom House staff, and for that reason he objected to the tariff as being expensive."

What has been the result? The cost of collection in 1874, when hon. gentlemen opposite took office, was 4 55 per cent.; in 1878 it had increased to 5.56, an increase of 1.01 per cent. In 1882 the cost of collecting the revenue was 3.32 per cent., or a decrease from that of 1878 of 2 24 per cent. (Hear, hear). But per-centages, of course, are sometimes misleading. They may mean a good deal, or nothing. I will, therefore, take the actual figures. In 1874 the receipts were $14,325,192, and the cost of collecting those receipts $658,299. In 1879 the receipts were $12,900,659, and the cost of collecting $719,-711, or a decrease in the revenue of $1,424,-533, and an increase in the cost of collecting that decreased revenue of $61,412—that is, 10 per cent. of a decrease in the receipts, and 10½ per cent. of an increase in the cost of collection. (Hear, hear). In 1882 the receipts were $21,581,570, and the cost of collecting $723,913, showing an increased revenue over 1879 of $8,680,911, and an increased cost of collecting of $4,202—or 67 per cent. increased revenue at an increased cost of collecting of under ½ of 1 per cent. [hear, hear]. I think we may fairly off-set that against the statement made by hon. gentlemen opposite as to the difference between the two parties in the management of our public affairs.

THE POST OFFICE EXPENDITURE.

I will take another department in relation to which hon. gentlemen opposite are disposed to charge inconsistency against the Conservative party. When hon. gentlemen were in office they were charged with having unnecessarily increased the post office expenditure. They have since charged us with inconsistency because it has also been increased by this government. But what are the facts? During Mr. Mackenzie's term of office, the revenue from post offices in 1874 was $1,476,207, and in 1879 $1,534,363, an increase in the latter year of $58,156, a fraction under 4 per cent. On the other hand, the expenditure increased from $1,695,480, in 1874, to $2,167,266 in 1879, an increase of $471,786, or about 28 per cent. [hear, hear]. That is to say, while the revenue increase was under 4 per cent. the cost of collecting it had increased 28 per cent. What has been the fact since? In 1882 the revenue was $2,022,996, or an increased revenue over 1879 of $488,633, 31¾ per cent. In 1882 the expenditure $2,458,356, or an increase of $292,-090 over the expenditure of 1879, giving a percentage of increase of 13½ per cent.; thus while the revenue increased 31¾, the cost of collecting it only increased 13½ per cent. [Hear hear] When we look at this matter in another light, we find this to be the result: The average cost per post office in 1874 was $326, in 1879 $386.59, and in 1882 $398, That is to say an increase of $60 per post office between 1874 and 1879, and of only $12 between 1879 and 1882. Then, if you take the mileage travelled you will find that the increase is more than accounted for. The mileage of travel in 1874—and that is a very good indication of the expenditure of the post office, because it is one of the methods by which you can show how postal facilities have been increased to the people of this country—you will find that the mileage travelled in that year was 13,929,180, and the cost 11 cents per mile. In 1879 it was 16,156,034, or 13⅛ cents per mile, being an increase of 2⅛ cents per mile. In 1882 the mileage had increased to 18,091,996, or 13½ cents per mile, so that there was no perceptible increase in the mileage cost of working the Post Office between 1879 and 1882. But if you looked at what has been done, the kind of mileage that has been covered, you will

see that there might reasonably have been a considerable increase. In Manitoba and the Northwest Territories, in 1874, the Post Office mileage covered was only 79,567; in 1879 it was 149,843, while in 1882 it had increased to 738,206, so that with all that enormous development of the postal facilities in the Northwest, the cost per mile of working the Post Office has not increased during the time the hon. gentlemen on this side have had charge of the Department, while during the time the hon. gentleman opposite had charge of it the mileage cost increased 2½ cents per mile. [Cheers.] Then another way of dealing with the matter is to look at the cost per letter. I find that in 1874 the cost per letter was four cents; in 1879 the hon. gentlemen opposite managed still to increase it to a fraction over 4 cents; while in 1882 the cost per letter had been decreased to a fraction under 3 4-10 cents per letter; so that in every way in which we look at the administration of the Post Office Department we find that we were right in charging extravagance against the hon. gentlemen for the increase between 1874 and 1879, and that this Government is not fairly open to the same charge for the increases since they came into office [cheers]. Now, sir, in relation to our financial condition, I may further refer to

THE STATE OF OUR PUBLIC DEBT,

and I think it is worth while looking at it in order that people may see what is the position which this country is occupying at the present moment. This is of great importance, because it will be remembered that in the debates in this House in 1880, when the Government proposed to assume the task of building the Canadian Pacific Railway, the hon. gentlemen opposite, and especially the hon. member for West Durham, pointed out the serious evil that must result to this country, if there was a great increase in the public debt. He pointed to the fact that emigrants from the other side, choosing a country to come to, finding in the United States a country where there was an annually decreasing debt, and finding in Canada, a country where there was an annually increasing debt, would naturally seek the United States rather than Canada. Well, sir, under these circumstances, I think it must be a matter of sincere congratulation to us all, that we appear reasonably at any rate, to have reached a period when there would be no further material increase to our public debt in connection with the enterprises upon which we have now entered in 1867, the net debt was $75,728,841; in 1874, it was $108,344,964, or an apparent increase during that period of $32,616,323. But of this increase to which we are often referred as an evidence of Conservative extravagance, there were no less than $20,452,340 for debts allowed to the provinces, that is to say, for the entry of Manitoba, British Columbia and Prince Edward Island into Confederation, and for the assumption of the debts of Ontario and Quebec, amounting, with the equivalents to the other provinces, to $13,859,079. Deducting these sums, we have an actual increase to the obligations of the country, as measured by its debt, of $12,163,983, or an annual average increase for seven years of $1,751,998. In 1879, $34,645,223 had been added to the debt, being an average annual increase of $6 929,045, making the net debt at that time, when hon. gentlemen opposite left office, $142,990,187. In 1882, $10,671,465 had been added, making an average increase during the time that the present Government has been in office of $3,555,055; as there will be no increase during the next year—that fact has been announced by the Finance Minister—but, on the contrary, as there is a fair prospect of a small decrease, we may take $2,667 866 as the average annual increase under Conservative rule. Now, if we leave out this $20,452,340 of debts allowed to the provinces, the net increase since Confederation has been $57,680,667. We have to show for that, in four items alone, these sums: On canals we have spent $12,671,125; Canadian Pacific Railway, $26,046,339; Intercolonial Railway, $26,464,017; Northwest, $2,920,000, making altogether, $68,101,481; or we have in these four items alone an excess of $10,420,812 over the entire addition to the debt during the period since confederation. (Cheers.) I think that is a fact which we may fairly present to the public, and especially to the emigrating public, in whose interest the warning was given by the hon. member for West Durham. Now, we have this other fact by way of contrast between the hon. gentlemen opposite and hon. gentlemen on this side. During the time that the Conservative party were in office down to 1874, considerably over $10,000,000 were expended on capital account in excess of the additions to the public debt. From 1874 to 1879 $6,723,083 were added to the debt more than were expended on capital account. So that while the hon. gentlemen opposite were in office they were expending money every year obtained from loans, and therefore from additions to the public debt, for the ordinary administration of the affairs of the country. We may well say to them

that they could hardly have gone on increasing the expenditure upon public works at a time when they were only able to carry on the affairs of the country, in spite of two increases in the tariff, from one of which they estimated an increase of $3,000,000, and from another of which they estimated an increase of $1,600,000—by increasing the debt $6,723,083 more than they expended on capital account. [Cheers.] What has been the result since? I find from 1880 to 1882 there has been expended on capital account $15,535,034 more than has been added to the public debt. I think we may fairly congratulate ourselves upon this fact as a reassuring one to the immigrant who is comparing the condition of this country with that of the United States before selecting his residence. [Cheers.] Looking at the future I think we may fairly say, in spite of the warning of the hon. member for Brant, that we will have an annual surplus during the next five years of about $3,000,000. I do not believe we can have very much less than that, even assuming what the Montreal *Gazette* says is correct, that we are on the eve of some depression as compared with the inflation of the last year, in view of the development of the Northwest. That will give us $15,000,000 in money during the next five years to expend on capital account. In 1885 we will have $32,467,169 of 5 per cents. maturing, and to redeem. Redeeming them at 4 per cent., even at par, and we may be able to do a little better than that, it will be equal to a new loan of $8,000,000, without adding a single dollar to the interest-charge on the public debt of this country, and after all the interest-charge is the measure of the burden on the people. Those two items, amounting to $23,000,000, will be applicable to capital account, without adding to the interest-charge, which, as I have said, is the measure of the burden of the debt. Then we shall have the receipts from public lands. The hon. First Minister declared in 1880 that we would receive by 1890 $38,593,000, that being on the basis of an annual increase of immigration into the country of 5,000 souls, and that he would have securities, being money secured by land, to the value of $32,712,000. I am aware that that statement was challenged. The hon. member for West Durham, in referring to it, said:

"The hon. gentleman expects to receive in the fourth year $1,870,000; in the following year, $2,622,000; in the next year, $3,230,000; in the next year, $4,112,090; in the next year, $5,068,000; in the next year, $5,833,000; in the next year, $6,877,000; while the last year of this series of rapid progression is to yield $7,562,000, to be received in cash from sales of the Northwest lands—an aggregate of $38,593,000 apart from the sums not yet due of $32,712,000. Now, I venture to say, if every one of the other calculations be realized, if the hon. gentleman gets into that country the amount of emigration he expects and at the time he expects, if he makes sales to the numbers and at the prices he expects, these calculations as to the dates and the amounts of his receipts will under no circumstances be realized. Under no circumstances will he receive these sums or anything like them, at these times or anything near them."

Now, in this, as in almost everything else, time appears to be the great enemy of hon. gentlemen opposite and the great friend to hon. gentlemen on this side of the House. What do we find? We are only in the second year, not the fourth. That speech was made by the hon. member in 1880, and at the end of 1882 we had, by the public accounts, acknowledged receipts from public lands of $1,744,456; that is to say, we have received in the second year within $125,544 of the sum estimated by the right hon. gentlemen for the fourth year. [Cheers.] I think we may fairly say, under those circumstances, we have reason to believe now, in view of what has actually taken place, that the estimate given us by the right hon. the Minister of the Interior in 1880, will be fully realized as time goes on, and gives the opportunity for its realization. Under those circumstances we will be in this position by 1890, or perhaps before that, in five years from to-day in all likelihood: the Pacific Railway will be completed from ocean to ocean; immigrants will be able to take the cars at Halifax and go to Vancouver Island, or rather to Port Moody without changing cars or leaving British territory. [Cheers.] We will not only have the railway built, but we will have the work accomplished without any increase being made to our public debt. [Hear, hear.] We will have completed the improvements now contemplated on our canals, and I hope we will be able to dredge and improve the channels of our rivers. We will be able to light and to greatly improve the great waterways of the Northwest, and I sincerely trust that this is a work which will be undertaken by the present Administration. We will be able, I hope, and I trust the policy of the Government will yet be to do so, to remove the tonnage dues from all vessels from the time they enter the Gulf till they reach Lake Superior, if they can go as far, so as to have free navigation over our magnificent water system from one end to the other; and we will be able to accomplish all that without adding a single dollar to the public debt, but, on the contrary, I believe, while mak-

ing annual payments in reduction of that debt, as they are doing to-day in the United States. [Loud cheers]. I think, under these circumstances, we may fairly claim that the policy of this Government, not only in regard to what is called the National Policy, but their policy in regard to the material development of the country, is in every respect one which merits the approbation of the people and justifies the verdict which was given in June last. [Cheers.]

THE NATIONAL POLICY.

So much for the question of expenditure, and I come now for a moment or two to touch on the question of the National Policy, about which so much has been said. I find that the hon. member who preceded me is not very strong in his position on this question. I can remember very well that figurative speech of his in which he pointed out the great advantages which would result to the people from an increase in the duties on tobaccos and cigars. And one can readily understand a gentleman whose opinions as expressed originally in this House, and as we all hope he still entertains them, whose honest opinions are to the effect that the true policy for this country is a policy of protection to native industry, how difficult it must be for him to take the position and to play the role which was imposed on him to-night, in the absence of another hon. gentleman who certainly had no difficulty arising out of circumstances of that kind to embarrass him. What has been the position of this country with respect to general trade? There has been an extraordinary revival of trade. No one doubts that. The hon. member for Brant admits that the country has been very prosperous. It is true that he could not forbear saying that things were changing; that we were going to everlasting smash; he remembered some failures, and rubbing his hands, as hon. gentlemen opposite are in the habit of doing, he declared with delight, "this is sweetness, indeed, another failure." The hon. gentleman declared we were on the eve of another period of depression; that there was a crisis coming at last, and he seemed most cheerful when he came to that part of his speech. [Hear, hear]. There is no chance for them so long as the country is prosperous; the people will never trust them so long as the country is prosperous; but if times become depressed, and the people do not care much who governs the country, possibly they may have a chance; but so long as the people feel an interest in, a hope for the country's success and prosperity, hon gentlemen opposite feel they have no chance to take seats on this side of the House. What has been our position with respect to general trade? That there is an extraordinary development everyone will admit. I have a statement here, but I will not detain the House with details of exports and imports. I find by it that our imports have increased from $81,964,427 to $119,419,500.

INCREASED IMPORTS AND THEIR EFFECT.

But, sir, the argument is used by the hon. gentleman that the fact of our increased imports into this country is proof that the policy of protection has not succeeded. He tells us that if protection had succeeded, and if we were manufacturing more in this country, we ought, in the nature of things, to have imported less goods; and I am bound to say that, as a general proposition, made without enquiry, and without serious thought, it seems to be a reasonable statement, and it is a statement which was made a good deal of, I know, on the public platform. Now, sir, what is the fact? We can take in this matter the position of the United States. Hon. gentlemen opposite, when we used to discuss the question of a National Policy, or protection, on the floor of Parliament, referred us to the United States. They told us that the depression, which was pointed out here, was due to the depression on the other side, and when prosperity was pointed to here, that it was due to revived prosperity on the other side. We are now told that depression is threatened in the United States, and that we are certain to have the same condition of things here. They all said during the discussions of 1878, that during 1877, there was great depression in the United States; we were pointed to their industries standing idle, to the people who were idle, to the tramps who were going about that country unable to find employment, and to the fact that so large a number of different kinds of industries had absolutely failed and closed their doors. Well, sir, in 1877 the imports into the United States, less coin and bullion, amounted to $451,315,992. Now, sir, in 1882, the hon. gentleman will tell us that the United States were prosperous, that we had our prosperity because of their prosperity, that their industries were all re-opened—as was, indeed, the case—that there was abundant employment given, that every department of the manufactures of the United States had assumed a very much better position, and yet in spite of that the imports into that country in 1882 had increased to $7[illegible]4,

739,574, or an increase of $273,323,582, between the time when many of their manufactories were closed and the period when all these manufactories were opened and working. [Hear,hear] Let me give you some details with relation to that increase. I will take cotton for instance. In 1877 cotton goods were imported into the United States to the value of $18,923,614, and in 1882 those imports had increased to $31,285,306. Woollen goods—a large article of American manufacture—were imported in 1877 to the value of $31,-955,241—in round figures, thirty-two millions—and in 1882, this had increased to $47,618,182. Silks, in 1877, were imported to the value of $21 830,159, and in 1882, this had increased to $38,328,251, so that in these industries, which had been suffering, and were suffering very seriously in 1877, and which were prosperous in 1882, the imports from foreign countries of articles similar to those manufactured in these factories, had very largely increased. [Hear hear.] Now, sir an analysis of the imports into Canada—I admit that they have largely increased—shows as strongly as anything can show, how great has been the development of the manufacturing industries of this country. Let me point out some facts in regard to it. The total increase in the imports in 1882 over those of 1878 was $26,337,713. Now, the increase in material which goes into the manufactures of the country, and the increase of which is in fact a pretty certain test by which we may judge of the increased prosperity of the manufactures of Canada, was as follows:—Steel rails, which are raw material in the sense of going into our railways, increased from $1,049,107 to $3,531,330; coal, which is perhaps more applicable, because it is used in driving machinery in our mills, increased from $3,-054,846 to $5,118,616; hides and pelts, from $1,207,304 to $2,215,119; wool, from $1,106,210 to $1,843,857; raw cotton from $774,703 to $2,286,534; leaf tobacco, from $703,581, to $1,334,110; there are a number of others, which I will give in bulk: raw furs, hemp undressed, raw silk, India rubber raw, rosewood, mahogany, etc., rags, machinery used in our mills and factories, an article which increased from $516,035 to $2,284,-723, and that in spite of the fact that the manufacturers of Canada, who manufacture machinery for mills are more than employed, and are unable to fill the orders which are pressing upon them; broom corn and pig iron, making the total imports of these raw materials for 1878, $9,929,163, against $22,091,211 in 1882 or an increase in imports of raw material, of $12,462,018. Then I take luxuries and goods which are not made in Canada, and the increased importation of which may be said to be simply evidence of the increased power of consumption of our people and of their increased prosperity; and I find this—I will give simply the articles and the general result:—flowers and feathers, laces, braids, etc., cassimeres, coatings, doeskins and meltons, carpets, tea, cottons unenumerated, dried fruits, linens, silks, satins and velvets—we manufacture some silks but it is not yet a large industry in this country—and we find that these imports increased from $10,886,266 in 1878 to $20,-284,686 in 1882, or an increase in these articles of luxury, or articles not made in this country, of $9,398,420. Then, sir, in other increases, I find that settlers' effects increased from $803,506 to $1,557,246, coin and bullion, which go into the trade returns, from $803,726 to $1,503,743; and articles of public use, such as are used by the Government and the Governor-General, from $239,744 to $597,669, making a total of from $1,846,976 to $3,658,658, or an increase altogether, on these items, of $1,811,688. Now, sir, let me recapitulate:—The increase in raw material was $12,162,048; luxuries and articles not produced in this country, $9,398,420 and in special classes, $1,811,-682, or altogether in these three articles of goods an increase in the imports of 1882 over 1878 of $23,372,150, within $3,000,-000 of the entire increase in our imports of 1882 over those of 1878. I think I may fairly say, therefore, that as to raw material the increase is an evidence of the increased industrial prosperity of the country, as to luxuries and articles not manufactured in the country, evidence of increased prosperity and of the increased power of purchasing by the people of this country, and as to these other articles, especially such articles as settlers' effects, evidence of the increased number of people coming into Canada and the increased wealth of those people—when we come to analyze this increase there is nothing in it which justifies the statement of the hon. gentleman opposite that the increased importation indicates a decrease in the manufacturing power of the country.

THE SUGAR DUTIES.

Now, sir, coming to some details with regard to our trade, and to the direct effect of the National Policy upon it, I shall refer to a few articles. Take first my favorite subject of sugar—a sweet subject, and one which I like to dwell upon. I notice that the hon. member for Brant, although the hon. the Finance Minister gave him the figures, made

no reference to this subject in his reply, but it is worth while giving the figures in relation to that article. The imports from the British and Spanish West Indies in 1874 when we had refineries in Canada—before the unfortunate policy of hon. gentlemen opposite in not meeting the concealed bounty given by the Americans to their sugar refineries, had destroyed the refineries in Canada, the imports from these islands to Canada were 40,000,000 pounds, while in 1878 our imports had decreased to 7,000,000 pounds. In 1878 our imports from Great Britain were 53,238,162 pounds, or 49 per cent. of our entire imports of sugar. In 1882 our imports had decreased to 3,239,080 pounds, or 3 per cent. of our entire imports. From the United States we imported in 1878 45,195,334 pounds, or 41 per cent. of our entire imports. In 1882 we imported from the United States 7,695,441 pounds, or 6 per cent. of our imports. From the British West India Islands, in 1878, we imported 4 per cent. of our entire importations, and in 1882 26 per cent. From the Spanish West India Islands, in 1878, we imported 6 per cent., and in 1882, 36 From Brazil we imported nothing in 1878, the import trade from South America having entirely disappeared, while last year 29 per cent. of our entire imports came from Brazil. Under these circumstances, I think we may fairly say that, so far as the effect of this policy on the West India and the South American trade is concerned, it has been eminently successful, and that is one way, at any rate, in which it has had an effect on the prosperity and development of the trade in Canada. Then, sir, let us take the change in the character of the imports of our sugar. In 1878 we imported over 95,000,000 pounds of refined sugar; last year we imported only about 6,000,000 pounds. Of partly refined we imported in 1878, 14,801,108 pounds; last year we imported 55,393,936 pounds. Of raw sugar we imported in 1878 a little over 1,000,000 pounds; last year we imported 73,635,927 pounds. Then, sir, as to the number of sea-going vessels employed in this trade, for that is another way in which the influence of this policy upon the trade of the country is shown, in 1878 the number of vessels engaged from the British West Indies was 238, with a tonnage of 22,137. In 1882 the number had increased to 273 vessels with a tonnage of 37,697. From the Spanish West Indies in 1878, 57 vessels were engaged with a tonnage of 6,571. In 1882 the number had increased to 137 vessels with a tonnage of 23,470. From Brazil we had three ships in 1878, with a tonnage of 1,518, while last year we had thirty-seven vessels with a tonnage of 17,696. So it will be seen that in these respects there has been a very important development of our shipping interest as a direct result of the National Policy. I am aware that it is said that we have lost very seriously in revenue by the adoption of this policy, and that result used to be predicted by the late hon. Finance Minister, Sir Richard Cartwright, when he was a member of the House. Now, we will take the year 1878 as a basis, because the year 1879 was not a fair year. Every one knew that the policy was going to be changed; it had been announced as part of the policy of the Conservative party that they would encourage sugar refining in Canada, and therefore there was a large importation of refined sugar just before the adoption of the tariff. Taking the year 1878 we find that the duties on sugar amounted to $2,595,074. In 1882 they were $2,528,384, or a loss to the revenue in consequence of this policy, between the years 1878 and 1882, of $66,690. How have we been compensated for that loss? We have it in the price of the sugar to the consumer. We used to be told that the effect of the policy would be to increase the price, but we have not heard much of that lately. The figures given by the hon. the Finance Minister to-night show that we have actually saved 67 cents per hundred pounds, and I will give the figures to show how that is made up. The average price in New York last year, taking certain periods of every month was $9.35 per hundred pounds, less the drawback $3 15, making the net cost for export $6 20. The railway charges and freight to Canada have generally been assumed at 30 cents; the old tariff gave 25 per cent. and one cent per pound, making $2.55. To this we add fifty cents as charges and commissions. And that has been arrived at by taking the price in New York during the time we had no refineries, and taking the price in Canada for the same year, and the same periods in each month, and we find that the difference between the price which we should apparently pay, adding the duty and these other charges, and the price we actually paid, amounted to 50 cents per one hundred pounds. Adding that, and we find that the average under the old tariff would have been $9.55 per hundred pounds, while the actual price during that period was $8 88, or a saving to the people of this country in this item of 67 cents per hundred pounds. In 1878 the imports above 13 Dutch standard, amounted to 95,154,570 lbs., so that the sav-

ing of 67c per 100 lbs. was an actual saving to the people of this country of $637,535, while the actual loss to the revenue was only $66,690. [Cheers]. In addition to that, we had the advantage of the employment of labor in the refineries, of a market for coal, of the employment for our shipping, of the employment of coopers, of the consumption of raw material in connection with cooperage, and of the other incidents in connection with that industry. At the present time we have five sugar refineries operating in Canada, and I am very glad to know that the refineries of Halifax are competing with those of Montreal for the trade of the Far West. That is a fact which every one should be pleased to hear, because it proves that Halifax is peculiarly well situated by its nearness to the coal supply and to the countries which produce the raw sugar for the prosecution of an industry of this kind. [Cheers].

THE EFFECT ON THE TEA TRADE.

Take next the item of tea. I find that with regard to it the same prosperity and progress is going on. Under the discriminating duty in 1873-4, before the Sir Francis Hincks Act was repealed by the Tariff Act of 1874, we imported 15 85 per cent of our teas from the United States. The direct imports from China and Japan were 50.8 per cent., an increase in the two years under the duty of 20 per cent., that is, from 30.3 per cent. In 1878 the imports from the United States had increased to 55 per cent., and those from China and Japan had decreased to 18 per cent. under the influence of the tariff of hon. gentlemen opposite. [Hear, hear]. Then, sir, we have these other results of the discriminating duties imposed in 1879. The imports of green and Japan tea were as follows :—

	1878. lbs.	per cent.	1882. lbs.	per cent.
Great Britain	1,254,154	19	1,731,930	17
United States	4,141,874	62	3,465,2 9	32
China	120,480	3	891,787	8
Japan	1,101,928	16	4,643,386	43

The imports of black tea were as follows :

	1878. lbs.	per cent.	1882. lbs.	per cent
Great Britain	3,426,536	62	4,197,005	78
United States	1,660,591	30	433,224	7
China	355,062	8	840,384	14
Japan	40	..	71,588	1

I think, sir, that these statements are sufficient to show that the policy adopted by this Government gave the tea trade, that is the distributing trade in tea, to the merchants of Canada instead of to those of the United States, and encouraged a direct trade with the countries of production. [Hear hear.]

COTTON MANUFACTURES.

Then, I take another article, upon which I think we may fairly say the National Policy has had a direct influence, that is the article of cotton. The following statement of the different classes of cotton imports from Great Britain will show the change which has taken place :—

	1878.	1882.
Bleached and unbleached	$ 431,807	$ 433,738
Printed, painted, colored, jeans, demins and drillings	2,009,373	591,828
Clothing and wearing apparel	174,288	453,420
All other	1,752,805	6,119 1.7
Total	$4 368,273	$7,650,119

In spite of augmented consumption of all classes of goods, and the fact that the gross importation of cottons from Great Britain in 1882 exceeded in value that of 1878 by $3,281,146 or 77 per cent., the importation of ordinary grey and white cottons actually decreased in 1880 and 1881, and last year was only 12 per cent. greater than in 1878. That is, while the whole importation from Great Britain increased 77 per cent., the particular class of goods that we manufacture in Canada increased only 12 per cent. [Hear, hear.] Now, our imports from the United States in the same years were as follows :

	1878.	1882.
Bleached or unbleached	$ 539,773	$ 534,810
Printed, painted or colored, jeans, denims or drillings	1,031,173	495,484
Clothing or wearing apparel	191,411	182,324
All other	729,071	774,837
Total	$2,491,458	$1,987,455

The import of cottons from the United States in 1878 was 36 per cent of the whole import. In 1882 the import from the United States was only 20 per cent. of the whole. [Hear, hear]. The increase in home manufactured goods may be inferred from the fact that the importation of raw cotton increased from 7,243,413 lbs. in 1878 to 18,127,322 lbs. in 1882. If anything more can be offered to show how important has been the development of these great enterprises in Canada, I think it will be found in the evidences, which any one can find for himself at any one of the places where cotton industries have been established, by contrasting their condition to-day with what it was in 1878. [Cheers]. If you go to the Hudon cotton factory or the Merchants at Montreal, or to the cotton factories in Cornwall, in Hamilton,

or in the Maritime Provinces, you will find everywhere the same evidences of thrift and prosperity, the direct result of the National Policy, and indicating how successful that policy has been in building up this important industry in Canada. [Cheers.]

THE TRADE IN WOOLLEN GOODS.

In the woollen trade the same happy condition of things exists. The following statements will show the imports in 1878, 1881 and 1882 from the United States and Great Britain respectively :—

FROM THE UNITED STATES.

	1878.	1881.	1882.
Blankets	$28,998	$4,174	$7,401
Cloths and tweeds	10,026	15,652	21,947
Flannels	68,695	12,360	10,027
Hosiery	.....	12,680	19,170
Dress goods	.....	79,083	3,317
Ready-made clothing	128,446	27,651	25,420
All other	147 614	54,390	73,562
Total	$383,779	$205,990	$164,144

FROM GREAT BRITAIN.

	1878.	1881.	1882.
Blankets	$172,274	$178,027	$238,749
Cloths and Tweeds	933,367	3,358,616	3,828,238
Flannels	361,646	256,548	452,117
Hosiery	.....	290,662	468,642
Dress Goods	.....	1,480,221	265,662
Ready-made clothing	759,439	829,629	424,302
All other	5,140,623	1,064,548	2,595,201
Total	$7,257,623	$6,958,251	$8,262,911

That is to say, comparing 1882 with 1878, the value of the import of woollen goods from the United States has decreased 57 per cent., while the value of the imports from Great Britain has increased 14 per cent. [Hear, hear.] Yet this is the policy which we are told has had the effect of injuring our trade with Great Britain and of benefiting our friends on the other side of the line. But, sir, in spite of greatly improved trade, the imports of woollen goods all over have increased only $784,909, or about 9 per cent., while the imports of raw wool have gone on steadily increasing. In 1878 we imported 6,230,084 lbs.; in 1880, 7,870,118 lbs.; in 1881, 8,040,287 lbs.; and in 1882, 9,682,757 lbs. And this increase has been entirely in the finer grades, because we imported from Africa in 1878, 306,450 lbs., and in 1882, 1,361,246 lbs.; and from Great Britain, in 1878, 265,212 lbs., and in 1882, 2,160,630 lbs.; while the import of Leicester, Cotswold, Lincolnshire, Southdown combing wools, and other like combing wools, such as are grown in Canada, was last year only 36,073 lbs. altogether. So that we have had a largely increased importation of those wools which we do not grow in Canada, while the entire importation of wools that come into competition with Canadian wools was only 36,000 lbs. altogether. (Cheers.)

THE DEVELOPMENT OF THE COAL TRADE.

Now I come to another question of importance, which relates to the development of one of the great natural resources of this country; I refer to the coal trade. The hon. Finance Minister, when he introduced his tariff in 1879, referring to the coal trade, made this estimate, which at the time was considered extravagant, but which, in the light of what has since occurred, was an exceedingly modest estimate :—

"In the estimate of the Government out of 800,000 or 900,000 tons now imported, probably there will still be 350,000 tons of anthracite, and probably 150,000 tons of bituminous still imported, giving to the Nova Scotia coal the balance of 400,000 tons, with, of course, an additional supply, if, as we expect, our policy is successful, in consequence of an increased demand for coal to supply the growing manufactures of the country."

Now, what are the facts? The hon. Finance Minister was speaking of the imports of 1878. In that year the quantity of anthracite coal imported was 406,971 tons and of bituminous 456,090 tons, a total of 863,061 tons. Taking, however, 1878-79, there was in that year a still smaller quantity imported, indicating that our industries were gradually falling away. In 1878-79 the importation of anthracite coal was only 322,528 tons; of bituminous, 355,347 tons, a total of 677,875 tons. In Nova Scotia the total output in 1879, according to the report of the Inspector of Mines, was 788,271 tons, so that the native production and the imports in that year amounted together to 1,466,146 tons; that is to say, that the whole consumption of coal in Canada for that year amounted to that quantity. Now, what do we find? We find that the total output of our Nova Scotia coal mines alone in 1882 amounted to 1,365,511 tons, or to within 100,000 tons of the combined output and importion for 1879. [Cheers.] We have therefore an increase in the output from Nova Scotia alone of 576,540 tons. But not only is there that large increase in the output in Nova Scotia, but we find the importation has largely increased. We find that the Nova Scotia miners, with all the development given to their industry, are unable to meet the wants of Canada in consequence of our increased manufacturing industries and our increased prosperity. Last year we imported from the United States: anthracite, 682,933 tons and bituminous coal, 708,446 tons, making a total of 1,391,373 tons. [Hear, hear.] Now, the effect of the competition of our Nova Scotia

coal upon the price of bituminous coal is somewhat remarkable. The average price in 1878, according to the entries in the Customs was $3 88½ and the average price of bituminous coal was $3.45½. In 1882 the average price of anthracite coal was $4.24, entered at the Custom House—not the cost to the people of this country in consequence of any duty or anything of that kind—and of bituminous coal $3.45½. The difference was this, that the price of anthracite coal in 1882 over that in 1879 was 35½ cents and the price of bituminous in 1882, as compared with 1879, showed a decrease of 37½ cents, and that in spite of the fact which I obtained from the editor of a mining journal in New York, one of the best authorities going, that last year the price of bituminous coal, free on board, was actually higher at New York than the price of anthracite coal. I quote this fact given by the editor of this mining journal in answer to a letter addressed to him asking for the average cost of bituminous coal at this time as well as in 1879. He was not able to give the particular figures, but stated the fact I have just mentioned. He says :—

"The reports of the coal companies for the year 1882 are not yet at hand to give you cost at mines for an authority. The average price obtained f.o.b. at New York for anthracite has been $4, which is considered a very satisfactory result. The coal companies aim to make the principal profit on the carriage not on the sale of the coal. From what we learn during the year in the bituminous market the average selling price f.o.b., New York, has been about $4.15 to $4.25."

So that while bituminous coal in the United States, free on board, has been higher this last year then anthracite coal, the cost of the same coal in Canada, in consequence of its coming within the area of competition with Nova Scotia coal, has been 37½c. per ton less than that of anthracite. [Cheers.] There is another fact in regard to this coal trade which is worth looking at as showing the consequence of the development of that industry. The average sales of the Nova Scotia coal for the ten years up to 1879 inclusive were 699,104 tons. while the average sales in the three years 1880, 1881, 1882 were 1,079,951 tons, showing an increased average sale of 340,847 tons. We often hear reference made to the subject of reciprocity and the loss to this country by the abrogation of that treaty. The American market was open to the coal of Nova Scotia during the period of reciprocity, and it is worth while to look at what the effect of that was upon the production in that Province. The sales during the eleven years of reciprocity averaged 389,796, of which average sales the United States took 236,829 tons, leaving for the Dominion 152,967 tons. It is true that the reports of sales to the United States are stated by the Inspector of Mines to be unreliable. They are taken from the report of the Board of Trade of Philadelphia, and are said to be understated, but that does not affect the general output from Nova Scotia. In 1881 the sales were 1,035,014 tons; in 1882, 1,250,179 tons, an increase of 215,165 tons. The home sales in 1881 were 268,628 tons; in 1882, 458,952 tons, an increase of 190,324 tons. In 1881 the coal sent to the upper provinces amounted to 268,628 tons; in 1882 it increased to 393,031 tons, or an increased sale to the upper provinces of 114,403 tons. So that Quebec and Ontario furnished last year as large a market for the coal of Nova Scotia as the entire output during the years we had reciprocity, with the enormous American market open for the encouragement of that enterprise. (Cheers.) I think that under those circumstances we may fairly say that the National Policy has had a most important influence in developing this particular branch of Canadian trade.

AGRICULTURAL PROTECTION.

Then I come to the question of agricultural protection about which we hear so much. The hon. member for Brant took a good deal of amusement from this subject, and I am bound to say the amusement was mutual—we enjoyed it on this side quite as much as he did. (Hear! hear!) It was the old story we have heard before on the platforms all through Ontario during the last election, and, I presume, the hon. gentlemen in the other provinces have heard it there as well. We know it is not a dangerous kind of talk, that it does not hurt us very much. But what do we find with regard to the effect of agricultural protection? First, as to the question of price. I think hon. gentlemen will admit that the nearer you can find a market for what you have to sell to the place of production, the better for the producer. [Hear, hear]. I think everybody will admit that as an invariable proposition. It is quite true that in relation, for instance, to wheat and the larger exported grains, the price is fixed in Liverpool, but it is also true that that market price in Liverpool is fixed by the extent of the export to Liverpool. If you can succeed in consuming any large proportion of an article in this country—take wheat as an illustration in Canada—instead of sending it to the other side, you decrease to that extent the amount that goes to Liverpool, and you affect the

market, at any rate, to the extent of that decrease. So that, although it is quite true to say that the price, as a general proposition, is fixed in Liverpool, the price in Liverpool is really fixed by the amount the wheat-producing countries have to send to Liverpool. Now, we find that, in 1878, we imported 5,635,411 bushels of wheat, while we exported 4,115,708, there being a net import of 1,519,703 against a net import in 1882 of 342,722. It is quite clear that, allowing nothing for the increased power of consumption of the people which we find in every other department where we can gauge it, we had in Canada, at any rate, a market to the extent of that difference for the wheat grown in the country. In the article of corn we find the net imports into Canada were 3,400,562 bushels, which decreased last year to 1,688,180. Peas, the net import was 9,584, decreased in 1882 to 3,638. Oats, an article that farmers are advantaged in having a home market for, in 1878 the net imports were 2,071,513, while last year they had decreased to 71,111, practically disappearing altogether. Of barley, the net imports in 1878 were 26,204 bushels, decreased in 1882 to 9,491. Rye decreased from 110,228 bushels to 1,447 Flour, barrels, decreased from 311,706 in 1878 to 163,335 in 1882. Oatmeal, barrels, decreased from 3,005 to 2,783. Now, these were undoubtedly results of the policy which imposes a duty on imports into this country, and the maintaining a Canadian market for our agricultural production. Converting flour into wheat, we have this as a general result:—Wheat, bushels, 1,923,236; corn, 1,712,382; oats, 2,000,402; barley, 16,713; altogether, 5,653,333 bushels less imported from the United States than were imported in 1878. Then, at the very least, and, I believe, to a very much larger extent, in consequence of the increased power of consumption on the part of the people, we have a home market as a result of the policy that was adopted, to the extent of the figures I have given. [Cheers].

THE MALT QUESTION.

During the discussions which have recently taken place, a good deal has been said in regard to malt, and we are told that the Government of Canada has very seriously injured the barley interest of this country. Yet, what do we find with regard to this? It is true the United States Government have recently made some changes, and the fact that they have made these changes shows that this small country, as it used to be called—this country with five millions competing with a country of fifty millions—has become sufficiently important to have its influence upon the United States, and to send the trades interested to Washington to get remedial legislation. The action of the Government of the United States was to change their tariff from 20 per cent. to 20 cents per bushel. The average cost, I believe, is about 80 cents per bushel for malt.

Sir Leonard Tilley—It is over ninety cents at present.

Mr White—The duty has been increased, therefore, from 16 to 20 per cent., while the duty on barley has been reduced from 15 to 10 cts. Our duty has not in any way been changed. The imports from the United States, in 1878, were 101,940 lbs., which paid 2 cents a pound. The imports, in 1882, were 341,020 lbs., which paid less than one-half a cent per pound; so that there has been no such change in the policy of this country as to justify that change on the other side. All that has been done on the other side is this: they found that our malt makers were competing in a way to injure their trade, and they did what hon. gentlemen here, who admire them in every other respect, seem not to admire them in this respect of their tariff policy—they went to Washington, and endeavored to get a change. What has been the progress of our exports of malt to the United States? In 1877, we exported 11,577,814 lbs., and they have gone up, in 1882, to 40,055,907, and I do not believe, in spite of the changes made by the Government of the United States, that there is going to be any material effect upon our exports of malt. [Cheers.]

THE EFFECT OF TARIFF ON BRITISH TRADE.

Now, sir, I propose to deal with the question of our trade relations with England and the United States. The charge made against this policy is that it has been injurious to England. My hon. friend who preceded me, undertook to prove, from the fact that the importations from the United States and from England were more nearly alike this year than they had been last year, that the tendency was in the direction of our having increased imports from the United States, and decreased imports from England. Well, we have, after all, only to do with the trade returns we have before us; when the time comes to deal with the trade returns of the future, no doubt we will be able to deal with them and show substantially the same results as those which have been shown by this policy since it was adopted. But what was the effect of the policy of hon. gentle-

men opposite? The imports from Great Britain in 1873 were of the value of $68,522,776. In 1878 they had decreased to $37,431,180, being a decrease of $31,091,596 during the period hon. gentlemen opposite were in office, without their putting a hand forward to stop this terrible decrease in the imports from the mother land. [Hear hear.] The imports from the United States in 1873 were $47,735,678, and in 1878, in spite of the general depression which obtained in Canada, and the reduction in our aggregate imports, the imports from the United States actually increased to $48,631,739, or an increase of $896,061. [Hear hear.] Since that time what has been the result? The imports from Great Britain in 1878, were $37,431,180; in 1882, $50,597,341, an increase of $13,166,161. The imports from the United States, in 1878 were $48,631,739; in 1882, $48,289,052, or a decrease of $142,687. [Hear, hear]. So that under the policy of hon. gentlemen opposite, trade with England gradually fell off, while that with the United States held its own and actually increased in spite of the general depression and general falling off in trade. Under the policy pursued by this Administration our trade with England has steadily increased, and that with the United States, according to the last returns, has somewhat decreased, so far as imports are concerned. It is said, however, that the duty upon dutiable goods is higher from Great Britain than from the United States, and it is charged on that account that this policy is inimical to trade with the mother country. On the total imports of free and dutiable goods from Great Britain the duty was twenty and a-half per cent. last year. On the whole imports from the United States it reached 23¼ per cent.; but if you take simply the dutiable goods, hon. gentlemen opposite appear, without examination, to have the argument on their side. I find that the duty on dutiable goods alone from Great Britain in 1882 was 24⅛ per cent., while from the United States it was only 21½ per cent., a difference appearing against Great Britain of very nearly 3 per cent. For purposes of comparison it is absolutely necessary, however, to take from the imports of the United States that class of goods which form no part of our imports from England. I refer to breadstuffs and coal from both countries. We imported a very small quantity of coal from Great Britain last year, so small a quantity that the importation has almost disappeared; but among the breadstuffs imported from the United States I include barley, beans, corn, pease, wheat, cornmeal, oatmeal, wheat flour, and besides these there is anthracite coal, bituminous coal and coke, and I find the value of these articles placed at $12,219,932, paying $978,370 duty. Deducting these from the aggregate dutiable imports from the United States, leaves $20,721,129 of imports corresponding with those from Great Britain, paying $6,095,542, or an average of 29 per cent. So if we exclude from the importations from the United States the importations of breadstuffs and coal, and exclude from the imports from Great Britain coal, we find that on goods imported from the United States, which may be said to be manufactured goods, the average duty is 29 per cent., as against 24⅛ per cent on those from Great Britain. Under these circumstances we may fairly hold that, so far as trade with England under the different tariffs is concerned, we need not fear scrutiny (hear, hear).

THE BALANCE OF TRADE.

Next I come to the vexed question of the balance of trade. On this subject, as on others, the hon. member for Brant had his amusement. So far as this subject is concerned, the position which we take on this side of the House is this: that the tendency of the policy of this Government must be to bring nearer together imports and exports, and ultimately make our exports exceed the imports. [Hear, hear.] We find that has been the result in the United States by a similar policy and by a similar process of western development. In former years the balance of trade, as it is called, was against them; in late years it has been enormously in their favor, and the same causes which have produced those results there must produce the same results here. It is true, in the meantime, in a time of prosperity such as we have had, our imports may be larger than our exports, and I have no hesitation in saying that if that should continue it would be a matter of grave appresion as to what the effect might be. Whether the theory of the balance of trade be absolurely correct or not, I am not going to discuss here, but there is this to be said about it, that the country is most prosperous and most wealthy—leaving out, of course, the accumulated wealth of countries like England, for I am speaking now of the newer countries whose wealth consists in what is produced by themselves—which exports more than it imports, and is able to pay, and more than pay, for its imports from its exports. (Hear! hear.)

I have no hesitation in saying that if, I believe, the same process was going to go on for years, namely, larger imports than exports, I think it would be a matter of serious apprehension, and I am glad a newspaper in Montreal, with which I have some remote connection, but for which, unfortunately, I do not write a great deal, and I did not write that particular article which the hon. gentleman did that journal the honor to quote, although I agree with it and do not repudiate in any way—I am glad to find a newspaper conservative, not in the party sense alone, but in the interests of the country, did utter words of warning when there was a tendency to over-importation on the part of merchants. (Hear! hear!) I believe the effect of those words of warning, not from that paper alone, for I should be sorry to arrogate to one newspaper so great an influence, was to cause many merchants to countermand orders given to buyers. If we maintain our imports we are doing well, because the country is prosperous, and under ordinary circumstances we would largely increase them. [Hear, hear.] But with respect to the balance of trade, what is our position? In 1878 our total imports were $93,081,787; our exports were $79,333,667, leaving a trade balance against us of $13,758,110. In 1882 our imports were $119,419,500; our exports were $102,137,203, leaving a balance of trade against us of $17,282,297. But, sir, if you take out of our imports in both years the imports of raw material,—I do not mean to say for a moment, recollect, though this changes the general question, it simply modifies it—which come into this country, and upon which labor is expended in this country, and which go therefore to build up wealth in the country itself, you will find that the position in which we stand to-day is infinitely better than the position in which we stood in 1878. [Hear, hear.] I find, for instance, that the imports of raw material, of precisely the same classes, which I have already had the honor to submit to the House, in 1878 were $9 929,153, and deducting this, the balance in trade against us was $3,828,927. The raw material imported last year was $22,091,211, which deducted from our imports leaves a balance in our favor of $4,308,614, against $3,828,947 against us in 1878. [Cheers] Now, I think, that we may fairly say that, taking the argument which the hon. gentleman himself uses, in which he points out the fact of the importation of luxuries which came in, and were consumed, and which added practically nothing to the wealth of the country, and dealing with it, and pointing to the fact that, in this particular case, this large importation was an importation of articles which form the basis of the industries of the country, and which, when they went to the consumer, probably were worth three times what they are here; and comparing this with what would have been the effect if we had not had that lariff, if we had not had this protection, if we had not had this importation of raw material, and if our importation of raw material had remained as it was before, and gone on with this period of inflation which brought on the better times to which hon. gentlemen opposite refer, we may pertinently ask, what would have been the position of this country to-day? Our imports would certainly have increased, and the importation of that class of consumable goods, which come in, which are consumed at once and disappear and add nothing to the wealth of the country, would have been far greater; and instead of $17,000,000 the balance against us would probably have been three or four times that amount. Instead of that, by the policy which has been adopted, although the balance is against us—and I believe it will not long remain against us—it has more than been met by the fact that our imports in excess of our exports are more than balanced by the raw material that forms the basis of the industries of this country.

MANITOBA AND THE NORTHWEST.

Then, sir, I take the effect of the National Policy on our relations with Manitoba and the Northwest. The hon. gentleman was good enough to say that the people of that country were ground down by this tariff, that they were suffering terribly from the effects of it; but does the hon. gentleman know this, or has he troubled himself to enquire into it—that the imports into that country in 1878 paid an average duty of 19 per cent., while the imports into that country last year, paid an average duty of 19½ per cent. [hear, hear], so that this enormous tariff, which he tells us is grinding down the people of that country, has added one-half per cent. to the duty upon the exports going into that country. The imports into Manitoba and the Northwest in 1878, were $1,283,414, paying a duty of $242,608, and last year, $5,657,506, paying a duty of $1,106,356; the average duty, as I have said, was only one-half per cent. more than it was in 1878. Now, sir, if you look at the imports into that country as evidence of its growth, you will find that in 1878 they were $1,171,107 for Manitoba, and $112,307 for the Northwest Territories, while in 1882, the imports were

$5,223,856 for Manitoba, and $433,650 for the Northwest Territories. If you will look at the character of these imports, you will find this—that in 1878, they imported of refined sugar from the United States to the extent of 828,012 lbs., while last year they only imported, in spite of their greater population, and the larger consuming power of the people, from the United States 39,627 pounds, or in round figures, 40,000 lbs., so that there was an increase of no less than 787,000 pounds of sugar, brought into that country, which was supplied from the refineries of Canada, some of which, I believe, came from such remote refineries as those of Halifax. [Hear, hear]. Then if you look further, you will find that of carriages they imported in 1878, $24,000 worth, and in 1882, only $21,-624 ; of ready made clothing, $57,523 worth, and 1882, $31,371 ; of mowing, reaping and threshing machines in 1877, $16,847 worth, and 1882, only $71 worth ; this represents I suppose one mower. The importation of axes, hoes, rakes, forks and shovels, increased only $301 since 1878, although the purchase of these articles by the people of the Northwest, during the last five years must have increased almost a hundred fold. Now that has been the result of this policy in building up our trade in the Northwest, in giving to us, the older Provinces, the markets of the Northwest, and in giving us those markets without imposing any increased cost on the people of the Northwest, because it is a well-known fact, established by the fact of the relative duty which I have just cited, and in every other way you may choose to enquire into this question, that the people of the Northwest can obtain from Canada these artices as cheaply, with an ordinary and moderate duty added, as they can be obtained for in any other part of the world. [Cheers.]

THE COMMERCIAL OUTLOOK.

Mr. Speaker, I do not know that I ought to detain the House any longer, for I find that I have already spoken a good deal longer than I expected to ; but I may say, in conclusion, this : the hon. gentleman who has preceded me has referred to the fact that we are on the eve of a state of depression ; I venture, sir, to think that there will be no depression in Canada, in view of the fact that the merchants of Canada to-day realize the fact that there is a possibility of danger arising from over importation. It is true that we have had some failures, but if the hon. gentleman will take the trouble to enquire into these failures, he will find this to be the fact, that in almost every case, they have been the result of the employment of money outside of the legitimate business of those interested, prompted perhaps it may be, by the great inflation outside, and temptations to invest in consequence of the enormous boom in Manitoba and the Northwest. He will find, sir, that at all times, under all policies—and no one has ever pretended that the case would be different—that men will be tempted to take from their business what properly belongs to it, in their hurry to make themselves rich, which is, unfortunately, characteristic of the age in which we live ; and that these results will produce, no matter what the general prosperity may be, no matter what the policy will be, failure and disaster in individual cases. [Hear, hear.] But, Mr. Speaker, what we complained of, in relation to the policy of hon. gentlemen opposite, was this : that at a time when they saw industries being closed ; that at a time when they saw commerce paralyzed ; that at a time when the causes of these results were apparent to every man ; that at the time when merchants came from every part of this Dominion and interviewed the Finance Minister of the day and gave him data upon which he could go if he had been willing to accept their opinion, and if it were not for the unfortunate character he had, of believing that he alone understood commercial matters, and that those engaged in commerce know nothing about them ; that at the time when this condition of things existed, they took the ground that it was not for the Government or for Parliament to interfere in the slightest degree to remove those evils or mitigate those disasters. (Hear, hear.) What we said at that time was that while the Government were not responsible for all the disasters which had come upon the country, they were responsible for not taking all reasonable methods of removing those evils so far as their removal was within the power of legislative action. That was said by Conservative speakers in this House, and on Conservative platforms in the country. The hon. gentleman has stated that the prosperity which this country is enjoying was not in consequence of the National Policy, because bank stocks were lower in 1879 than they were in 1878. Does the hon. gentleman pretend to say that that was a fair statement to make to this House ? Does not the hon. gentleman know that this was caused by the failure of the Consolidated Bank — resulting not from any condition of things arising out of the National Policy, but resulting from a

condition of things which had been going on for years, as the investigation proved, and which must always prove disastrous to any banking institution which is the victim of them. He must know that in the presence of that crisis, brought about by this failure bank, stocks did go down; but does he pretend to say that the National Policy had anything to do with producing that effect? Policies of this kind are put upon the statute book, but the mere enactment of such policies does not immediately produce the beneficial changes expected from them; these are produced by subsequent events; they are produced by the gradual, steady, developing effects which follow the operation of these tariffs; and we may fairly say, so far as the National Policy is concerned, that the Conservative party has reason to look back upon the last four years with considerable pride.

THE POSITION OF PARTIES.

We know that hon. gentlemen opposite were so confident of the feeling of the people of this country that, at the recent elections which took place in the Province of Ontario, they implored the people everywhere not to believe that the National Policy had anything to do with the contest; they warned every man who ventured to speak upon that subject, that he was speaking of a matter which was not in issue in the election; that the Government did not intend to interfere in any respect with the operation of the National Policy. Yet even in that Province of Ontario, which they have always claimed was a Liberal Province, under, not the gerrymandering Act of hon. gentlemen on this side of the House, but under an arrangement of the constituencies made by their own friends, so strong was the feeling of the people of that province that the possibility of the existence of that Government was a menace to the continuance of this policy, that it resulted in the fact that the popular vote and almost the representative vote of the people went with the Conservative party, in spite of the fact that hon. gentlemen warned the people not to be alarmed about the National Policy—that it was safe at any rate, and that no one was going to interfere with it. [Cheers]. Hon. gentlemen opposite have chosen to commence the new Parliament by a new attack on that policy. They have chosen to come the here, and in the first speech made on fiscal policy of the country, to revive all the old arguments which they ought by this time to be ashamed of, in order, if they can, to create a public impression against that policy. These hon. gentlemen are not wise; they have learned nothing by the lessons of the past. We on this side can afford to smile while they denounce the National Policy. Every word they utter against it—every suggestion they make that it is not in the interests of this country, is a warning to the people of Canada that they are not to be trusted; and I venture to say that when the calm, deliberate, clear speech of the Finance Minister, delivered to-night, in which he not only explained the financial position of this country, not only vindicated the policy of which he may well be proud of being the author, in this House, but in which he indicated by the changes he has suggested that that policy is the fixed irrevocable policy of the Conservative party—when that speech goes to the country to-morrow, when the people of Canada from one end to the other read and ponder over it, and when they read the speech of the hon. gentleman who has taken the position of financial exponent for the Opposition, and find in it all the old attacks—find in it all the old well-beaten paths trodden over again in the effort to diminish the influence of the Conservative party, they will be confirmed in the feeling they have already, and which they so strongly manifested in June last, and will declare that these men who can learn nothing by the experience of the past, are not the men who should be entrusted in any way with the administration of the affairs of a great country like this. [Loud cheers.]